

**Notice of Allowability**

Application No.

09/894,851

Examiner

Jennifer Liversedge

Applicant(s)

SHIDLER ET AL.

Art Unit

3692

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--**

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 7/30/2007.
2. ☒ The allowed claim(s) is/are 1-19 and 21-26.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some\* c) ☐ None of the:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS ( as "replacement sheets") must be submitted.
- (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review ( PTO-948) attached
- 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
- (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

1. ☐ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO/SB/08),  
Paper No./Mail Date \_\_\_\_\_
4. ☐ Examiner's Comment Regarding Requirement for Deposit  
of Biological Material

5. ☐ Notice of Informal Patent Application
6. ☐ Interview Summary (PTO-413),  
Paper No./Mail Date \_\_\_\_\_
7. ☐ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other \_\_\_\_\_

## **DETAILED ACTION**

### ***Response to Amendment***

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 09/894,851 filed on July 30, 2007.

The amendment contains original claims: 3-19 and 21-25.

The amendment contains amended claims: 1-2 and 26.

Claim 20 has been canceled.

### ***Allowable Subject Matter***

Claims 1-19 and 21-26 are allowed.

The following is a statement of reasons for the indication of allowable subject matter: the prior art fails to teach or suggest the limitations of the independent claims.

Independent claim 1 discloses a computerized system for creating synthetic credit products comprising a processor, a database, a Capacity Creation module coupled to the processor and database for determining the capacity of a defined financial market that includes at least one entity to absorb defined synthetic credit products at a minimum level of default risk, wherein the synthetic credit products include credit default swaps for structuring and pricing of credit-rating specific credit indexes and a Product Creation module coupled to the processor and database for creating the synthetic credit products including a Product Creation engine for creating the synthetic credit products matched to debt obligations of qualified reference entities based upon

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internal templates in accordance with a capacity determined by the Capacity Creation module.

Independent claim 26 discloses a method for creating synthetic credit products comprising determining the capacity of a defined financial market that includes at least one entity to absorb defined synthetic credit products at a minimum level of default risk, wherein the synthetic credit products include credit default swaps for structuring and pricing of credit-rating specific credit indexes and creating the synthetic credit products including creating the synthetic credit products matched to debt obligations of qualified reference entities based upon internal templates in accordance with a capacity determined in the first step; where the steps are performed using a processor coupled to a database.

The primary difference between the claimed invention and the prior art is the use of credit default swaps for structuring and pricing of credit-rating specific credit indexes as credit default swaps are traditionally used for risk transfer between swap participants and not for structuring and pricing of credit indexes as synthetic credit products.

The prior art, such as US Patent No. 5,704,145 to King et al., demonstrates the use of swap markets with flexibility in pricing and terms for various levels of risk, where parties generate contracts based on acceptable levels of risk using a data system for such a transaction and negotiation. A computer system with a database is used to compare proposed risk, market interest rates and other factors in determining pricing for the credit product. However, the system is for the purpose of transferring risk amongst the parties, and not for the use of credit default swaps for structuring and pricing of

credit-rating specific credit indexes as credit default swaps are traditionally used for risk transfer between swap participants and not for structuring and pricing of credit indexes as synthetic credit products.

Further, "Creditex Launches Emerging Markets Platform, Completes First Trade" in PR Newswire discloses an Internet-based platform for trading credit derivatives, including credit default swaps. However, the platform provides a means using the Internet by which a large number of individuals desiring to transfer risk are provided a mechanism by which to do so, and does not include the use of credit default swaps for structuring and pricing of credit-rating specific credit indexes as credit default swaps are traditionally used for risk transfer between swap participants and not for structuring and pricing of credit indexes as synthetic credit products.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

### ***Conclusion***

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for

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published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).



Jennifer Liversedge

Examiner

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Kambiz Abdi

Supervisory Patent Examiner

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